USPS-T-1

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

CLASSIFICATION AND FEES FOR WEIGHT-AVERAGED, NONLETTER-SIZE BUSINESS REPLY MAIL, 1999

Docket No. MC99-2

DIRECT TESTIMONY
OF
ROMETTA D. SHIELDS
ON BEHALF OF
UNITED STATES POSTAL SERVICE

TABLE OF CONTENTS

DIRECT TESTIMONY
OF
ROMETTA D. SHIELDS

AUTOBIOGRAPHICAL SKETCH

My name is Rometta D. Shields. For the past three years, I have been employed by the United States Postal Service as the Manager of Business Reply Mail for the Capital District. These operations are located at the Washington Processing and Distribution Center (P&DC) in Washington, DC.

Prior to working in this capacity, I held various positions throughout the Washington plant, including Supervisor of Distribution Operations (SDO). In that job, I managed a wide variety of activities, including automated letter operations and Small Parcel and Bundle Sorter (SPBS) operations. I was also the Systems Administrator for the Remote Bar Code System (RBCS) when it was deployed at the P&DC.

In addition to the front-line management of mail processing operations, I have also had the opportunity to accumulate five years of experience working on detail assignments in the P&DC In-Plant Support (IPS) Department. These experiences have given me an understanding of the various support tasks, such as the development of mail arrival profiles and automation sort plans, that mail processing personnel rely upon daily.

I have worked for the United States Postal Service for 29 years. This is my first appearance before the Postal Rate Commission.

I. PURPOSE OF TESTIMONY

The purpose of my testimony is to discuss the field application of the nonletter-size Business Reply Mail (BRM) weight averaging method described by witness Schenk (USPS-T-3). Nonletter-size BRM consists of parcels and flats, as well as letters weighing more than two ounces.

My testimony will discuss: (1) the standard method generally used to perform nonletter-size BRM accounting, (2) the weight averaging method used to perform nonletter-size BRM accounting as part of the current experiment at the Washington P&DC, and (3) the benefits that weight averaging can provide the Postal Service at sites where it may be feasible to implement this method.

II. STANDARD METHOD

At the Washington plant, all incoming BRM is isolated from the rest of the First-Class Mail stream and forwarded to the BRM operation. This operation begins at 7:00 a.m. and closes at 11:00 p.m., six days a week. Locally destinating mail is sorted to one of two ZIP Codes: 20078 (cards) and 20077 (everything else). The mail for this latter ZIP Code consists of BRM that comes in many sizes, including nonletter-size BRM.

I have reviewed the Docket No. MC97-1 testimony of Postal Service witness DeMay (USPS-T-1), which described the "standard method" used to sort nonletter-size BRM at most postal facilities. This method is similar to that used at the Washington P&DC for nonletter-size BRM which is not subject to the experiment.

In Washington, under the standard method of BRM counting, rating, and billing, each nonletter-size BRM mail piece is individually weighed. The distribution clerk maintains a worksheet tally that is used to rate these mail pieces. Once completed, this tally sheet is used to calculate the postage due for each customer. The final step is the removal of the postage due funds from the BRM recipient's advance deposit account. If an advance deposit account is not used, the funds are obtained from the recipient at the time of delivery.

III. WEIGHT AVERAGING METHOD

A. Isolation of BRM Subject to the Experiment

Approximately 15 months ago, as part of the current experiment, the weight averaging method was installed in the Washington plant's BRM operation. This method is described in detail in witness Schenk's testimony (USPS-T-3). It was installed for a single nonletter-size BRM recipient (a film processor) at our plant that had enrolled in the experiment. Prior to that time, we had been counting and rating this nonletter-size BRM mail using the standard piece-by-piece method outlined in the previous section.

The experimental participant's mail arrives at my BRM operation from two different sources. The first source is through the postal processing and aggregation of pieces which are mailed individually and addressed to the film processor at its Washington, DC address. This mail arrives at my unit in hampers from other upstream operations in the Washington plant. Mail processing personnel continually route these hampers to my BRM operation throughout the day. This mail is mixed,

both in terms of its shape (card, letter or nonletter-size) and indicia (BRM and postage affixed). My BRM unit performs the final manual mail processing sortation which separates the nonletter-size BRM pieces which are part of the experiment from other BRM and from the pieces with postage affixed, which are not part of the experiment.

The second source of mail subject to the experiment is BRM pieces which are addressed to this film processor's PO boxes in three other cities, but processed in the Washington, DC area. After aggregation of this mail at its original destinating postal facilities, it is reshipped to the Washington P&DC and my operation via Priority Mail. Priority Mail sacks can arrive at any time throughout the day, but they most often arrive in the morning. My unit determines the Priority Mail postage on the incoming sacks of aggregated mail, and then opens the sacks to separate the nonletter-size BRM pieces which are part of the experiment from the other pieces, in the same manner as mail coming from upstream operations at the Washington plant itself. We then re-sack the nonletter-size BRM pieces, at which point they become subject to the experimental weight-averaging method.

In both cases (internal plant mail and mail reshipped via Priority Mail), these separations would have to be made even if the weight averaging system were not being used.

B. Weight Averaging of BRM Subject to the Experiment

After the nonletter-size BRM from both sources has been isolated each day, it is re-sacked on pouch racks and the sacks are individually weighed on a scale.

The distribution clerks enter the sack weights into a manual log and then load the sacks onto nearby nutting trucks where they are ready to be dispatched to the local film processor participating in the experiment. Once the mail has been sacked and weighed, the individual sack weights from the log sheet are keyed into the computer. The weight averaging software applies the most recent conversion factors to the net weight of the sacks to estimate the total number of pieces and calculate the postage and fees due for the day.

After the BRM in the experiment has been processed each day, a copy of the postage due bill is faxed to the local film processor.[1] Postage and fees due are deducted from its advance deposit account daily.

After the funds have been deducted, the local film processor dispatches a courier to collect the mail in conjunction with the film processor's PO box. Normally, the courier collects this mail twice daily. On occasion, additional trips may be required due to seasonal increases in mail volume.

An important requirement of the experiment is that we regularly update the conversion factors which the computer software uses to estimate the number of pieces and the postage and fees due for each sack. Once every accounting period, the weight averaging software randomly designates one week as a sample week and randomly selects which sacks to sample. As a result, we have additional activities to perform during a sample week.

---

[1] This bill includes separate line items for the funds associated with the Priority Mail sacks, BRM postage and fees (all shapes), and non-BRM mail where the postage was short paid by the sender. Short paid mail is included on the bill at the request of the film processor.

When prompted by the software, we attach ID labels to the sacks that we sample. Each mail piece within the designated sample sack is then weighed individually using an electronic scale that is linked with the computer. After the sample week is over, the software automatically calculates the new conversion factors for us. The piece weights from all of the sample sacks that week are used to calculate updated conversion factors, which we use until the next conversion factors are calculated in the same way. A more detailed discussion of the sampling procedures is included in witness Schenk's testimony (USPS-T-3).

It is my understanding that the weight averaging process described in this section is identical to that performed at the other experimental sites using weight averaging.

IV. SYSTEM BENEFITS

In situations where the application of this method is feasible, nonletter-size BRM weight averaging can provide many benefits to field operations such as mine. The weight averaging method can reduce labor hours, improve customer service, and facilitate the employee training efforts associated with nonletter-size BRM.

A. Reduced Labor Hours

At the Washington plant, the weight averaging method has resulted in labor savings. Compared with the standard manual method, I estimate that we are saving approximately four person days of labor each day using the weight averaging method for the film processor's nonletter-size BRM.

B. Improved Service

In addition to reducing labor hours, weight averaging has also contributed to an improvement in customer service. The local film processor has been able to obtain its mail earlier each day than in the past because we can now perform the postage due accounting much faster. In fact, it is my understanding that nonletter-size BRM mail is reshipped via Priority Mail to the local processor here partly because of the service improvements that weight averaging allows my operation to provide.

C. Enhanced Employee Training

Initially, some employees in my unit were apprehensive about using the weight averaging system. This apprehension was, in several cases, attributed to the fact that some clerks had very limited experience using computers. The software that is used for weight averaging, however, is so user-friendly that my employees now embrace the system and take a great deal of ownership in its application. In fact, as new employees join our staff, the clerks themselves have been conducting the training sessions. If weight averaging can be rolled-out to other postal facilities, I am sure that, with the proper training, their employees will have the same attitude.

V. CONCLUSION

In destinating postal facilities where large volumes of nonletter-size BRM are received for specific customers, weight averaging can be an effective means for

calculating the postage and fees due, when compared to the standard piece-by-piece method. Weight averaging can reduce labor hours, improve service, and facilitate training efforts. At the Washington plant, this new system has been well received by postal employees. The employees in my operation are proud to have helped develop a system that can improve postal operations and customer satisfaction in other locations. If additional work needs to be done to make it ready for a national roll-out, we will gladly do our part.